

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

May 10, 2011

John L. Byars United Minerals LLC 174 East 400 South P.O. Box 656 Emery, Utah 84522

Subject: Reclamation Surety Required, United Minerals LLC, Dog Valley Mineral Mine, S/015/0101,

Emery County, Utah

Dear Mr. Byars:

The referenced Notice of Intention to Commence Small Mining Operations (NOI), received by the Division March 2, 2011, is complete with the exception of the reclamation bonding requirement and listing the registered agent. The reclamation surety is determined to be \$17,300 escalated three years or \$18,000 escalated five years. This was determined based on:

Small Mining Operation Notices

Project Size (Acres)	Surety 2 & 4 year escalation 2011	Comments
1 or less acres	\$7,900 (3-year escalation) \$8,200 (4-year escalation)	Minimum amount required
Additional acres up to 5 acres	\$4,700/ acre (3-year escalation) \$4,900/acre (5-year escalation)	Partial acreages rounded up (e.g., 1.2 acres = 2 acres)
Cumulative Amount for 3-acres	(i.e. Maximum of 5 acres = \$7,900 +\$9,400 = \$17,300) (3-year escalation) (i.e. Maximum of 5 acres = \$8,200 +9,800 = \$18,000) (5-year escalation)	\$700.00 difference between 3- and 5-year escalation amount for 3 acres of disturbance.

Please submit the reclamation surety and reclamation contract within the next 30 days. No mining related disturbance may be created until the surety is received and approved and you have received written acceptance from this office as well as other applicable agencies.

The reclamation surety can be submitted in one of several forms, including, an irrevocable letter of credit, a certificate of deposit, cash or a surety bond. Please contact Penny Berry at (801) 538 291 or e-mail bondcoordinator@utah.gov for assistance in completing this requirement.

OIL GAS & MINING

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The registered agent's name was not filled in on page 2 of the NOI. Please submit a revised page 2. According to the Department of Commerce, the registered agent is Richard C. Ehlert. Please provide your response as replacement pages to your original NOI.

Please contact me at 801-538-5261 or Wayne Western at 801-538-5263 if you have any questions regarding this letter. In reply please refer to file number S/015/0101.

Sincerely,

Paul B. Baker

Minerals Program Manager

BR

PBB:whw:pb

cc: John Blake, SITLA